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CIA sees Soviet oil decline ahead

By Reuter

Washington

Soviet oil production will start declining in the next decade and will need an infusion of Western financing and technology to tap new reserves, according to new U.S. intelligence estimates.

The dwindling production will mean Soviet leaders will face a crunch in meeting domestic needs, selling oil to East Europeans, or getting hard currency to buy goods and technology from the West, U.S. Central Intelligence Agency Director Stansfield Turner said.

His June 23 testimony before a subcommittee of the Congressional Joint Economic Committee has been made public by subcommittee chairman William Proxmire (D) of Wisconsin.

The CIA director did not predict how Soviet leaders would respond to the three crises, but said each had significant aspects for the entire Western world.

Estimates were that by 1985 the Soviet

Union could no longer sustain daily oil production of 10 million barrels.

"It certainly is apparent that the Soviets today need help to hold their own . . . and that if they are going to develop new fields in Siberia, they are going to need outside financing as well as outside infusions of technology," Admiral Turner said.

Another CIA official, Douglas Diamond, told the panel one agency consultant believed "massive infusions" of technology and investment from the United States and Western Europe would be needed to enable the Soviet Union to extract oil from increasingly hostile environments.

Admiral Turner said Moscow would be under great pressure to force Eastern Europe, which bought 1 million barrels of Soviet oil a day in 1976, to share the burden of the shortages. But it would have to consider the danger of worsening Eastern Europe's economic situation and undermining its political stability.